



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 5

Agenda Date: September 5, 2024

In Control: City Council A Session

DEPARTMENT: Aviation Department

DEPARTMENT HEAD: Jesus H. Saenz Jr.

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Design-Build Contract for the Terminal A Ground Loading Facility project at the San Antonio International Airport

SUMMARY:

Ordinance approving a change order in an amount of \$25,532,833 to the Design-Build Services contract with Hensel Phelps Construction Co. for a new contract value not to exceed \$87,232,833 and setting a Guaranteed Maximum Price (GMP) for construction of the following projects: Ground Loading Facility, relocation of Gate 20, South Remain Overnight and the Federal Inspection Station Bag Belt which are included in the amended contract; and appropriating \$5,880,694.76 for a total project budget of \$94,931,968.76 amending the FY 2024-FY 2029 Capital Improvement Program.

BACKGROUND INFORMATION:

The San Antonio International Airport requires additional gate capacity and airline parking capacity to support domestic and international air service while the new terminal completes its design and construction, anticipated to be completed in the second quarter of 2028. On May 5, 2022, City Council approved the amendment of the FY 2022 Capital Budget to create the Terminal A Ground Loading Facility project and initiate design work on the project. On May 18, 2023, City

Council approved a Design-Build services contract with Hensel Phelps Construction Co. in a not-to-exceed amount of \$61,700,000 for the new TAGLF and Relocation of Vehicle Gate 20 project, which accepted the additive alternate for Phase 1 of the Remain Overnight Parking project. This ordinance also authorized the use of funds not to exceed \$9,600,000 for contingency and other city costs outside of the contract.

Under the Design-Build Services Contract, Hensel-Phelps will design and construct a new ground load facility on the southern end of Terminal A with three ground-loaded gates and the expansion capability to five gates, concession space, integration to the Federal Inspection Station (Customs), restrooms and apron work and striping for gates. The contractor is also relocating Vehicle Gate 20 due to the location of the new TAGLF to allow vehicles access to the airfield. The project also includes phase 1 of the Remain Overnight Parking (RON) project identified in the Strategic Development Plan and supported in the Terminal Development Program to provide additional aircraft parking at the San Antonio International Airport.

Additionally, the City Council approved actions items under Ordinance 2023-05-18-0334 and Ordinance 2023-06-15-0408 to apply, accept and appropriate federal grant funds under the BIL for this project. The City was awarded \$20,000,000 in February 2023 and \$5,087,465 in June 2024, for a total of \$25,087,465 in federal funding.

The groundbreaking ceremony for the new facility was held in October 2023 and work on the relocation of Vehicle Gate 20 and the demolition work associated with the RON Parking project has begun while the design work on the TAGLF is completing. The facility is anticipated to be opened by Fall 2025.

ISSUE:

Now at 95% of design, the City and Hensel Phelps have established a GMP of \$77,493,083 that includes construction work for the original projects, increases the square yards of the south remain overnight, adds design elements to the Ground Load Facility, and includes the construction of a second FIS baggage belt which were not included in the original scope of work. The GMP addresses all items for the performance of all construction work required by the contract, to include, Approved Fixed Price Proposals (AFPPs), General Conditions costs, pass through costs, assumptions, Design-Builder's contingencies, schedules, and other matters necessary for proper execution and completion of the construction. Design phase fees and owner's contingency, inside the contract, are not included in the GMP but included in the full Design-Build contract sum. Design phase fees and owner's contingency, inside the contract, for these projects total \$9,716,298 for a total contract amount of \$87,232,833. Should additional amounts be required over and above the GMP to complete construction work, liability and payment of such amounts shall solely be the responsibility of the Design-Builder.

South Remain Overnight

The original project scope included 4 positions for aircraft to park and remain overnight, however, with the space available it was determined that additional positions could be constructed. With this amendment a total of 7 positions will be added.

Ground Load Facility

The original contract was approved at 30% design for the Ground Load Facility. With this contract the design is at 95% and design elements have been added to include additional bathrooms, upgrades to bathrooms, lactation room, sensory rooms, and a terrace.

Addition of 2nd FIS Bag Belt Project

As design progressed on the TAGLF, the City identified an opportunity for operational efficiency and passenger experience improvement by adding the 2nd FIS Bag Belt project to the scope of the contract, which was a separate project that was approved in the FY 2024 Adopted CIP budget and includes improvements to the FIS Corridor and Mezzanine and the construction of a second bag belt for international passengers. The addition of this project to the scope of the existing contract will accelerate the delivery of the project while minimizing disruption to operations and the passenger experience. The design and construction costs of the 2nd FIS Bag Belt totals \$2,995,198 and is included in the GMP and full contract amount.

In May and June 2023, the City Council approved actions to apply, accept and appropriate federal grant funds under the BIL for this project. The City was awarded a total of \$25,087,465 in federal funding.

ALTERNATIVES:

City Council could choose not to approve this amendment, the action could jeopardize the delivery of the Terminal A Ground Loading Facility and negatively impact air service capacity, especially for international air carriers, and potentially impact the receipt of grant funds in future years. This solicitation process followed local, state and federal procurement policies and procedures.

FISCAL IMPACT:

Ordinance approving a change order in an amount of \$25,532,833 to the Design-Build Services contract with Hensel Phelps Construction Co. for a new contract value not to exceed \$87,232,833 and setting a Guaranteed Maximum Price (GMP) for construction of the following projects: Ground Loading Facility, relocation of Gate 20, South Remain Overnight and the Federal Inspection Station Bag Belt which are included in the amended contract; and appropriating \$5,880,694.76 for a total project budget of \$94,931,968.76 amending the FY 2024-FY 2029 Capital Improvement Program.

RECOMMENDATION:

Staff recommends approval of a change order to the Design-Build services contract with Hensel Phelps Construction Co. for the Terminal A Ground Loading Facility project at the San Antonio International Airport.